

LEGISLATIVE BILL 734

Approved by the Governor April 21, 2008

Introduced by Fulton, 29.

FOR AN ACT relating to political subdivisions; to amend section 13-1622, Reissue Revised Statutes of Nebraska; to change provisions relating to employee benefit plans; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 13-1622, Reissue Revised Statutes of Nebraska, is amended to read:

13-1622 (1) Except as provided in subsection (4) of this section, the plan sponsor shall obtain excess insurance which will limit the plan sponsor's total claims liability for each plan year to not more than one hundred twenty-five percent of the expected claims liability as projected by an independent actuary or insurer.

(2) If the expected claims liability of the self-funded portion of the employee benefit plan is exceeded, the plan sponsor shall fund such additional liability by (a) allocating necessary funds from the operating fund of the general fund, (b) setting up an additional reserve in the operating fund of the general fund, or (c) setting up the monthly accruals at a level to fund claims in excess of the expected claims liability.

(3) An insurer shall pay claims for which it is obligated under excess insurance within three months of the time the claims are paid by the plan sponsor.

(4) A city of the metropolitan or primary class or a county with a population of more than two hundred thousand may provide an employee benefit plan without excess insurance if the city or county obtains a determination from an independent actuary or insurer that excess insurance is not necessary to preserve the safety and soundness of the employee benefit plan.

Sec. 2. Original section 13-1622, Reissue Revised Statutes of Nebraska, is repealed.